STORMWATER

SUMMARY OF RATE INCREASES*

Rates per Impervious Unit (IU)

- 2007: 44% increase from \$11.50 to \$16.56
- 2008: no increase

Projected to generate an additional \$6.3 million in revenue.

• Preliminary forecast for 2009-2010: 11% increase from \$16.56 to \$18.36 (subject to change)

Breakdown of Rate Revenue Projected

- \$16.56 rate projected to generate \$20.7 million in 2007-2008 and is allocated as follows:
 - Operations: \$10.4 million
 - Capital Program:
 - o Depreciation/Replacement: \$2.2 million
 - o Debt Service: \$8.1 million
 - Will consume majority of CIP revenues leaving very little available for future projects.

Capital Facility Charges (CFC)

- Citywide CFC
 - Applies to Citywide new and re-development that adds impervious area.
 - Increase from \$400 per IU to \$958 per IU: generates \$1.2 million for 2007-2008.
- Additional Downtown Sub-Area CFC
 - Applies to downtown new and re-development in lieu of on-site requirements.
 - Proposes \$4,292 per IU: generates \$1.6 million for 2007-2008.

Regional Rate/CFC Comparison

City	Monthly SFR C	CFC	
Duvall	\$16.92		\$201.65
Redmond Proposed	16.56		958.00
Kirkland	14.15		481.00
Sammamish	12.50		570.00
North Bend	12.36		550.00
Mercer Island	12.30		7466.00
Bellevue	12.08	↑	n/a
Redmond Current	11.50		400.00
Seattle	11.34	↑	n/a
Issaquah	10.33	1	1520.00
King County	8.50		n/a
Bothell	6.28	1	n/a
Monroe	6.00		n/a
Renton	5.55	1	759.00

- ** Additional charge to apply in downtown
- Rates forecasted to increase for 2007

^{*}Information from FCS Rate Study presented to Council on July 25, 2006

STORMWATER

DESCRIPTION OF NEW PROGRAMS

No new programs were authorized for this fund.

DESCRIPTION OF DEBT

Moving Downtown Forward

- \$40 million Stormwater Revenue Bond in 2007.
 - Term: 20 year
 - Interest Rate: 6.25%
 - Debt Service: \$4,038,977 in 2007 and 2008
- Addresses Stormwater issues in Downtown sub-area (details included in the excerpts from the FCS rate study section).

STORMWATER

EXCERPTS FROM THE FCS GROUP RATE STUDY

Background

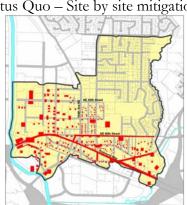
- Stormwater must comply with local, state, and federal mandates.
- Current rate: partially regulatory compliance
 - \$11.50 rate projected to generate \$7.05 million in 2006
 - o Operations: \$7.00
 - o Capital Program: \$4.50 (\$1.50 restricted, \$3.35 unrestricted)

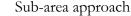
Upcoming Needs

- Operations Summary
 - 1. Operations & Maintenance Program
 - Stormwater system cleaning, maintenance, inspection, repair & replacement
 - Emergency, after hours & spill response
 - Decant facility operation
 - Citizen response (100-125/year)
 - 2. Engineering & Administration
 - Capital project & program administration
 - Environmental compliance, inspection & enforcement
 - Community education & stewardship
 - Stormwater billing & account administration
 - Stormwater system mapping & GIS services
 - Project & program monitoring
 - Water quality monitoring
 - Illicit discharge detection & elimination
 - Public project stormwater review
 - Comprehensive, basin and master planning
 - Review & compliance with regional, state & federal mandates
 - 3. Development Services
 - Private project stormwater review
 - Administration of stormwater design standards & code requirements
- Capital Summary: \$197 million in known and forecasted needs
 - Forecasted: \$100 million
 - Citywide: \$57 million for 138 projects
 - Downtown Sub-area: \$40 million

Downtown Sub-Area

- Options to Address:
 - Status Quo Site by site mitigation







- Benefits of Sub-Area approach for Downtown
 - Less Expensive to Build
 - Less Expensive to Maintain
 - Maximization of Developable Area Downtown
 - More Effective Treatment
 - More Effective Maintenance
 - Quicker Regulatory Compliance
 - Allows Greater Redevelopment Flexibility
- Downtown Sub-Area Project List (\$37.5 million in identified projects; \$40 million debt issue proposed):

or

- 85th St. WQ Facility (\$7.6 million)
 - o Provides WQ treatment for the entire watershed (including City roads).
- Redmond Way Trunk WQ Facility (\$4.6 million)
 - Provides WQ treatment for the Redmond Way Storm Trunk.
- Luke McRedmond Media Filter Vault (\$1.6 million)
 - Provides WQ treatment for the Redmond Way Storm Trunk.
- Redmond Way Storm Trunk (\$22.5 million)
 - Conveys all water directly to the Sammamish River, eliminating the need for onsite detention facilities downtown.
- Leary Way SW Treatment Wetland (\$0.5 million)
 - Retrofits and expands an existing SW facility to meet current regulations and growth.
- Safeway/Bear Creek WQ Facility (\$0.7 million)
 - o Diverts and treats stormwater to Bear Creek, eliminating the need for stormwater detention.

STORMWATER MANAGEMENT FUND

REVENUE REPORT

	Budget to					
	2005-2006	2007-2008	Budget	2-year %	1-year %	
STORMWATER	Budget	Final	Difference	change	change	
Beginning Fund Balance	\$1,065,714	\$784,700	(\$281,014)	-26.4%	-13.2%	
Stormwater Management Fees	\$14,030,267	\$26,519,018	\$12,488,751	89.0%	44.5%	
Engineering Fees	\$225,801	\$236,314	\$10,513	4.7%	2.3%	
Investment Interest	\$32,524	\$32,524	\$0	0.0%	0.0%	
Debt Proceeds	\$0	\$40,000,000	\$40,000,000	n/a	n/a	
Other Revenues	\$2,214	\$1,489	(\$725)	-32.7%	-16.4%	
Grand Total	\$15,356,520	\$67,574,045	\$52,217,525	340.0%	170.0%	

STORMWATER MANAGEMENT FUND

EXPENDITURE REPORT

STORMWATER Salaries Salaries and Wages	\$3,170,712	Budget	Difference		
Salaries and Wages				change	change
9		#2.07.4.04F	#002.2F2	25.20/	10.70/
		\$3,974,065	\$803,353	25.3%	12.7%
Overtime	\$36,142	\$34,137	(\$2,005)	-5.5%	-2.8%
Supplemental Help	\$104,000	\$110,274	\$6,274	6.0%	3.0%
Other Compensation	\$600	\$607	\$7	1.2%	0.6%
Salaries Total Benefits	\$3,311,454	\$4,119,083	\$807,629	24.4%	12.2%
	#207 / 57	#227 704	#20.044	0.00/	4.007
MEBT	\$307,657	\$337,701	\$30,044	9.8%	4.9%
PERS	\$65,428	\$298,725	\$233,297	356.6%	178.3%
Benefits - Medical Premiums	\$675,724	\$794,587	\$118,863	17.6%	8.8%
Benefits - Worker's Compensation	\$74,228	\$82,006	\$7,778	10.5%	5.2%
Other Benefits	(\$276,248)	(\$300,114)	(\$23,866)	8.6%	4.3%
Benefits Total	\$846,789	\$1,212,905	\$366,116	43.2%	21.6%
Supplies	ው	#4 000	#4 OOO	/	/
Fuel	\$0 \$62.500	\$1,000	\$1,000	n/a	n/a
Small Tools/Equip/Hardw/Software	\$62,500	\$75,467	\$12,967	20.7%	10.4%
Office and Other Supplies	\$21,500	\$21,700	\$200	0.9%	0.5%
Supplies Total	\$84,000	\$98,167	\$14,167	16.9%	8.4%
Professional Services	#47 0.000	#4.00.000	#2 000	4.40/	0.707
Repairs/Maintenance Supplies	\$178,000	\$180,000	\$2,000	1.1%	0.6%
Professional Services	\$1,254,678	\$1,124,450	(\$130,228)	-10.4%	-5.2%
Legal Services	\$3,500	\$5,000	\$1,500	42.9%	21.4%
Communications	\$24,417	\$25,295	\$878	3.6%	1.8%
Travel	\$8,500	\$8,500	\$0	0.0%	0.0%
Utilities	\$92,000	\$78,000	(\$14,000)	-15.2%	-7.6%
Repairs - Outside	\$147,000	\$215,000	\$68,000	46.3%	23.1%
Other Services and Charges	\$243,190	\$96,000	(\$147,190)	-60.5%	-30.3%
Professional Services Total	\$1,951,285	\$1,732,245	(\$219,040)	-11.2%	-5.6%
Intergovernmental Services					
Intergovernmental	\$317,603	\$370,786	\$53,183	16.7%	8.4%
Debt Service	\$37,219	\$8,192,645	\$8,155,426	21912.0%	10956.0%
Intergovernmental Services Total	\$354,822	\$8,563,431	\$8,208,609	2313.4%	1156.7%
Interfund Transfers					
Depreciation Xsfr	\$1,133,504	\$2,199,246	\$1,065,742	94.0%	47.0%
Interfund - General Fund	\$1,599,624	\$1,721,055	\$121,431	7.6%	3.8%
Interfund - Info Technology	\$720,612	\$671,388	(\$49,224)	-6.8%	-3.4%
Interfund - Insurance Premiums	\$104,587	\$97,538	(\$7,049)	-6.7%	-3.4%
Interfund - Fleet	\$444,564	\$575,834	\$131,270	29.5%	14.8%
Interfund - Other	\$177,565	\$511,933	\$334,368	188.3%	94.2%
Transfer to CIP - Operating & Bond Proceed		\$40,000,000	\$36,008,288	902.1%	451.0%
Interfund Transfers Total	\$8,172,168	\$45,776,994	\$37,604,826	460.2%	230.1%
Capital Purchases					
Capital Outlay	\$67,500	\$0	(\$67,500)	-100.0%	-50.0%
Capital Purchases Total	\$67,500	\$0	(\$67,500)	-100.0%	-50.0%
Ending Fund Balance					
Ending Fund Balance	\$482,680	\$5,978,548	\$5,495,868	1138.6%	569.3%
Salary and Benefit Contingency	\$85,822	\$92,672	\$6,850	8.0%	4.0%
Ending Fund Balance Total	\$568,502	\$6,071,220	\$5,502,718	967.9%	484.0%
Grand Total	\$15,356,520	\$67,574,045	\$52,217,525	340.0%	170.0%